

Date: July 6, 2007

To: Hampton Board of Selectmen cc: Fred Welch

From: Mike Schwotzer

Subject: June '07 Income / Expense Statements / Revolvers

Attached is a copy of the Income and Expense Statements for the month ending June 30, 2007. The first three pages detail the income; the next page (numbered 16 of 16) is the summary by department; the next fifteen pages (numbered 1, 2, ... 15 of 16) are the expenses by line item; then four revolving accounts (Rec.; Cable; Detail; and EMS). The 2007 budget column uses the default budget as adjusted by the BoS.

Notable items:

- On (Income) page 1, the Motor Vehicle Fees on a year-to-date are basically on budget for the third month in a row. On the same page, the budget for Boat Registrations was changed from \$7.2k to zero due to this service no longer being performed by the Town Clerk's office.
- On (Income) page 2, the budget for the Highway Subsidy was reduced from \$260.1k to \$256.1 due to better information received after the original budget was set.
- On the same page, the Miscellaneous Income (billed) account recorded \$21.4k for the Hampton Falls Dispatch Services and \$39.0k for the 1st half of the year's billing of the SRO salaries paid by the schools/SAU.
- On (Income) page 3, the parking lot revenues (thru 6/28) are shown at gross and the **effect of the 20% allocation** is shown (but not booked). The large budgeted income item on that page, Real Estate Trust Income will be recorded late in December.
- The next page (marked 16 of 16) shows the year to date expenses by department. At the end of June, the operating departments (without Debt Service) were 8.4% below target or \$895k to the good (note: Medical Expense under-expenditure of \$105k is included in this amount). Only a few departments were above the 50% target level and will be discussed below.
- On page 1 (of 16), an old pay-rate for the Selectmen (additional \$125 per member) was used for the second quarter payment. This overage will be recouped during the last half of the year. In the

Town Manager's supplies account, \$5,800 relates to the cost of the TM search - discussed earlier.

- On page 2 (of 16), the overall percentage impact of "once a year" costs in the Finance Department (repairs @ \$10k and supplies @ \$10 of the \$14k spent) and the Tax Collector's supplies account is lessening as the months go by. Both are now very close to the 50% target.
- On page 3 (of 16), MIS is charged with maintenance of the Town's computer systems (90 PCs by last count) and in June an additional 3 pcs were bought, a new one for Assessing and replacement of 2 out dated departmental machines. Under Account 4155 – Personnel Admin, the budget for the NH Retirement accounts was at an average of the old and new rates. Starting July 1, the actual expense will be booked at the new higher rates and so when compared to budget; the dollars should become more equal.
- On page 4 (of 16), the Town Office's maintenance line continues to run ahead of budget. That item plus the seasonal heating costs account for the majority of the overage in the town buildings budget.
- On page 5 (of 16), the annual bill for Liability and General Insurance came in slightly under budget (\$236k vs. \$239k).
- On pages 6 & 7 (of 16) the Police Department in total is well within its budget. However, the summer season has begun and so the spike in related seasonal expenses will be felt in the next few months.
- On pages 8 & 9 (of 16) the Fire Department is slightly over budget (51.1% actual vs. 50.0% target) in total with two areas, Fire Suppression OT and Vehicle Maintenance, showing the restricting effect of a default budget in a time of high demand. The Department is contractually mandated to fill the shifts of members out on sick or vacation leave. The maintenance account is now being impacted by an aging pumper fleet which is not being replaced in a timely fashion as recommended in the CIP.
- On page 9 (of 16), the \$18,000 budget for lifeguards will not be used this year due to a shortage of qualified guards.
- On pages 10 - 12 (of 16), both major areas of Public Works (Highways & Streets / Municipal Sanitation) continues to run 2 - 8% below budgeted levels.

- On page 11 (of 16), the negative \$34k of Administration Engineering expenses caused by the transfer of costs to project fund 39 (WWTP) were discussed last month.
- On page 12 (of 16), the new transfer station scale (acct #7450 – Replacement Equipment) is coming on line and so the final bills for that project should be booked in the near future.
- Welfare, page 13 (of 16), continues to experience high demand for services that this department has been experiencing since the fall.
- Parks and Rec., page 14 (of 16), is currently running below budget but as with many other departments, the summer season has high usage and higher cost.
- On page 15 (of 16), it should be noted that the debt service payments are not level throughout the year, each loan having its own specific payment date. At the end of May, \$5.4M in TANs was outstanding. With the receipt of the first half year's tax bill payments; these should be paid off in July along with the associated interest expense.
- On the same page, at the bottom, an additional \$24k of '06 POs were "liquidated" (the unspent funds being released). \$15k of this amount was for an engineering study of Church Street pumping station. The encumbrances shown in the 2006 PO column were reduced by that amount with the total YTD reduction (\$103k) now being shown as "Expired".
- With regards to the revolving accounts (Funds 024 - 027), the income shown for the EMS fund (027) only reflects five months vs. six months of expenses. Comstar's reports run a month behind on average